

Recovery for **ALL**

Final Report of the Co-Chairs of the Governor's Task Force on Business and Jobs Recovery

November 20, 2020



Dear Governor Newsom,

Early this year, the state of California, our nation and the world were struck by a devastating global pandemic. Your administration and all sectors of our society immediately began taking the necessary measures to safeguard public health. Businesses closed and individuals stayed at home, and to the degree possible, we began to practice the needed social distancing and wearing of masks. Unfortunately, the pandemic led to unprecedented challenges for our state's economy. Workers on the front lines protected us even as supply chain challenges persisted. Many businesses were forced to close, and millions of workers lost their jobs.

Amid these mounting challenges, you took action to put California on the path forward by establishing the Task Force on Business and Jobs Recovery. You asked us to lead this group of more than 100 of the best minds in advising you on how to begin our recovery and lay the foundation for a better, more equitable and more resilient economy.

As the Co-Chairs, we are pleased to present to you a report of the Task Force's work throughout the spring, summer and fall of 2020, as well as priorities for the ongoing fight against COVID-19 and the economic crisis it has caused. Our report outlines how these priorities are already in action or are being implemented through an array of proposed initiatives, collaborations and investments for consideration going forward.

Our work was made possible by the extraordinary talent and commitment of our members. They included leaders from business, unions, health, communities, academia, arts and entertainment and philanthropy, as well as advocates for racial and economic justice and legislative leaders, representing every region of our state. Their diversity has provided the Task Force with a powerful cross-section of voices and perspectives enabling the comprehensive conversations needed to create actionable and holistic recommendations for recovery.

To begin this important effort, the Task Force conducted numerous listening sessions with leaders and everyday people from across economic sectors and across California, with the goal to understand the economic recovery needs of each industry and community. These conversations brought together

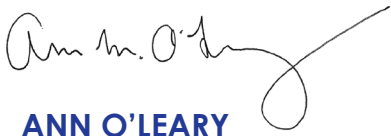
leaders across sectors and communities that do not ordinarily engage with such common purpose and common resolve, leading to dozens of innovative ideas and proposals, many of which are continuing to inform ongoing work.

The conversations also have deepened our understanding of the severe economic impact the COVID-19 recession has had on working families and small businesses across our state, the need for providing safety protocols and PPE to help businesses reopen safely for their workers and their customers, as well as the need to ensure that, as we build our economy back, we must simultaneously take action on the deep crises of racial injustice, income disparity and climate change. From the Black Lives Matter movement highlighting longstanding racial inequities, to the disproportionate burdens borne by essential workers in low-wage sectors to the widespread wildfires exacerbated by climate change, we know that the time for action is now.

Accordingly, the Task Force determined that, as the State continues to lead with health, the following priorities will best lead us to a just and sustainable recovery:

- Preserve California's competitive edge
- Expand efforts to create quality jobs for all Californians
- Focus on sectors that correlate to California's strengths
- Pursue inclusive regional strategies that leverage each region's assets and mix of industries
- Continue to support essential workers
- Expand support and provide flexibility to small businesses
- Continue efforts to close the digital divide
- Promote telemedicine
- Incorporate equity and sustainability at every stage of the recovery effort

As Co-Chairs of this Task Force, we are extremely grateful for the leadership, insights and hard work of our Task Force members, as well as the NextGen Policy Team for their tireless contributions to this effort. All of us stand ready to assist you as you guide our state forward in the fight against COVID-19 to a strong and equitable recovery that benefits all of our communities.


ANN O'LEARY


TOM STEYER

Introduction

As COVID-19 struck our state, nation and world, Governor Gavin Newsom convened the Task Force on Business and Jobs Recovery to help the state rebuild as quickly and safely as possible from the pandemic-induced recession and create an equitable, sustainable and prosperous future.

The Task Force brought together more than 100 prominent leaders from business, unions, health, communities, academia, arts and entertainment and philanthropy, as well as advocates for racial and economic justice and legislative leaders. In assembling a group that represented a broad cross-section of the state, the Governor sought to spark conversations between leaders who would not normally collaborate and find creative solutions to the state's economic and health crises.

Governor Newsom tapped two leaders as Co-Chairs who brought an outstanding record of service and commitment to economic growth and inclusion. Ann O'Leary, Chief of Staff to Governor Newsom, and Tom Steyer, founder of NextGen Policy, would lead the Task Force members through critical conversations and actions throughout the spring, summer and fall of 2020 — Task Force members forged partnerships, advocated for federal support and developed innovative proposals, and their work has helped California slow the spread of COVID-19.

With so many perspectives represented, the Task Force did not set out to agree on everything, seek consensus on policy changes or author legislation. Instead, members committed to have hard conversations and surface recommendations to state officials in real time.

The Governor's Task Force has been an essential partner in slowing the spread of COVID-19 and identifying principles for California's recovery. The report that follows details the Task Force's efforts to foster a sustainable, inclusive recovery, as well as its recommendations for areas of continued partnership and lessons learned.

Founding Principles

A Health-First Approach

Task Force members recognized that, for California, a safe and sustainable reopening of the economy requires successful containment of the virus. In recognition of this need, for example, members embraced the state's health-first approach, advocated for increased testing and supported a range of public health protocols. They also brought their on-the-ground expertise and experience to help inform the state's sector-by-sector reopening guidance.



"I was proud to represent Kaiser Permanente as part of the diverse group of California leaders the Governor brought together to facilitate difficult, constructive and informative conversations on the public health and business issues facing our state. By better understanding each other's concerns and interests, and by remaining focused on the science of this pandemic, we were able to collectively develop some effective solutions to protect the health and safety of our communities. One of the most important solutions we emphasized was testing – expanding access, increasing affordability, and expediting testing turnaround. Testing is an essential part of fighting this pandemic, and we're proud of the steps California has taken on this issue."

— Greg Adams, Kaiser Permanente

Protect and Create Quality Jobs

Amid the concurrent health and economic crises, Task Force members focused on getting as many Californians back to work as possible while supporting the state's entrepreneurial spirit. In the face of growing unemployment, the Task Force recognized the imperative of helping Californians get back on their feet. They also pledged to work to ensure that the economy that they would be returning to would be one

that supports quality jobs, which allow workers to provide for themselves and their families, have access to job and training opportunities and stay healthy on the job. A sustainable recovery for the future of California needs to take these goals into account.

Equity

The Task Force also pledged to think longer-term about bringing back the California economy in a way that works for all. As the pandemic further exposed long-standing disparities in California, and the killing of George Floyd sparked a national reckoning on racial injustice, the Task Force released equity principles to guide the work that would follow. These principles, developed and supported by Task Force members, called on California to build a stronger and more inclusive recovery, starting with disadvantaged communities and those most affected by COVID-19.



"It was an honor to serve on the Task Force. The Task Force was truly inspiring in harnessing the collective power of ALL California, drawing from business, workers and civil society. Several innovative ideas and initiatives came out of this, just from having people work together, talk candidly, and try to solve for California. The approach to be fact-based, follow science and to prioritize health was the right one, as we worked on reopening the economy and developing initiatives to support jobs and economic recovery. There is clearly more to do, and we should be bold and innovative as only California can."

— James Manyika, McKinsey

With this critical focus on health, jobs and equity, key workstreams emerged: providing recommendations for a safe and equitable reopening, supporting small businesses in this unprecedented threat to their livelihoods, partnering on economic development and worker protections, and promoting climate actions to support a carbon-neutral economy. Members also kept up the drumbeat on the need for federal support for state and local governments battling COVID-19.

By the summer, the Task Force streamlined its work into five subcommittees: Leveraging Innovation and Climate, Financial Systems and Infrastructure, Equity and Workforce, Recovery and Small Business.

Proposals generated by the Task Force are taking root in initiatives across government, making a difference in the short term and laying a foundation for longer-term strategies, which will also incorporate the work of the Future of Work Commission and the Governor's budget process.



"From the earliest days of this pandemic, it was clear that there would be no economic recovery without getting the virus under control. The Task Force worked tirelessly to help California's business leaders to adapt to the extraordinary challenge of COVID-19 and bring together safety and innovation. Thanks to the partnership of the State and the Task Force, we were able to provide support and guidance to businesses throughout the state to put the health and safety of workers and customers first."

— Rick Caruso, Caruso Management

Unprecedented Health and Economic Crisis, Unprecedented Response

Task Force Timeline & COVID-19 Positivity Rate

April 2020 to November 2020



APRIL 17 TASK FORCE ANNOUNCED, MEMBERS RAISE AWARENESS OF CRITICAL CHALLENGES

When the Task Force began its work on April 17, total COVID-19 cases were at 27,528, hospitalizations at 4,892 and the 14-day test positivity rate was at 11.6%.

In these early days, Task Force members were the eyes and ears on the ground, surfacing major problems for the State to address.

Members communicated the **urgent need to expand testing** in order to safely reopen businesses. They helped advise on the most significant testing needs and collaborated on how to expand it statewide. This relentless effort later culminated in the State's groundbreaking partnership with PerkinElmer, announced in late August, to significantly expand testing capacity.

Members also shared common challenges in **getting personal protective equipment to businesses and workers in need**. Members spoke for businesses and workers who do not traditionally use PPE and needed it quickly. These conversations informed the State's rapid opening of its PPE portal and eventual partnership with California Manufacturers' Association, [SafelyMakingCA.org](https://www.safelymakingca.org).



Terranova Ranch in Helm, CA. August 2020. Courtesy of Don Cameron



"The Task Force's goal was to provide representation for the underserved and communities of color throughout California. In the Central Valley, the Latino community was especially hard hit with COVID-19. Our essential labor force continued tirelessly working in the fields to produce food for the nation. Our rural communities were provided PPE, timely testing, and isolation shelter to keep themselves, their families and communities safe. The requests for assistance in the rural and agricultural regions were heard loud and clear by our Governor."

— Don Cameron, Terranova Ranch

Members shared the Administration's commitment to providing **support for immigrant Californians**, regardless of status. In April, recognizing the need to help those who had been contributing to our economy but were left out of unemployment insurance and the federal Coronavirus Aid, Relief, and Economic Security (CARES) package, the Governor announced a Disaster Relief Fund of \$75 million in state funds (supplemented by philanthropic support) to address the needs of undocumented Californians. As the Task Force went on with its work, care was taken to be inclusive of immigrant communities in outreach and program design.

MAY 8, INITIAL REOPENING BEGINS, CASES INCREASE & TASK FORCE RESPONDS

California did not experience the early spike in cases that occurred in other states. On May 8, the state began the reopening process by moving into Stage 2 of its original reopening plan. However, as the state began to reopen, it was clear that reopening had focused on the "when" but not the "how," and more work was needed to prepare businesses and the public for the critical need to implement safe reopening practices, especially the behavioral changes that help slow the spread.

By mid-June, California was seeing a significant increase in cases. In response, the State and Task Force members worked together to aggressively put out public health messaging around wearing a mask and social distancing, and the State aggressively enforced the reopening guidelines as the Task Force had advised.

California's COVID-19 cases and hospitalizations peaked in late July 2020 at 12,807 cases and 8,820 hospitalizations, with the 14-day positivity case rate at 7.4%.

AUGUST 28, BLUEPRINT FOR A SAFER ECONOMY RELEASED

The State revisited its reopening strategy and released the Blueprint for a Safer Economy in late August. It emphasized a safe, stringent and slow approach to reopening sectors of the economy. And it incorporated the most up-to-date health and scientific information about controlling the spread of the virus, with a focus on equity, that Task Force members had expressed earlier in the summer when they released their equity principles.

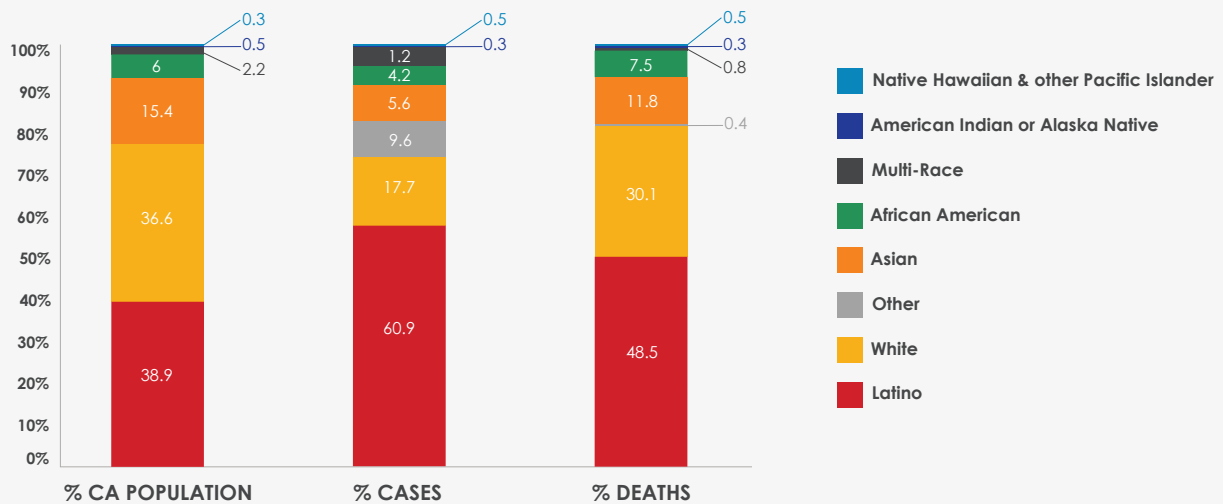
California's positive cases and hospitalizations steadily declined from late July through early September 2020 and subsequently flattened. As of early November, the state is experiencing the increase in cases that was expected in the fall and winter. As the Blueprint framework allows the State to tighten or loosen its response based on data, officials will continue to pursue a health-first approach driven by science in the months to come.

Disproportionate Impacts on Diverse Californians

The COVID-19 pandemic has had a disproportionate impact on people of color. Latinos, African Americans and Native Hawaiians and Pacific Islanders are dying at disproportionately higher levels. For example, Latinos make up 38.9% of the California population, but have made up 61.1% of COVID-19 cases and 48.5% of deaths from

CA COVID-19 Health Impact by Race

As of November 1, 2020



COVID-19. Deaths among working-age Latinos have been particularly staggering: Latinos comprise 41.5% of the California population between the ages of 35 and 49, but 76.7% of deaths statewide in that age bracket. These population groups are overrepresented in the essential workforce where risks are higher and often live in overcrowded households where it is easier to spread the disease.

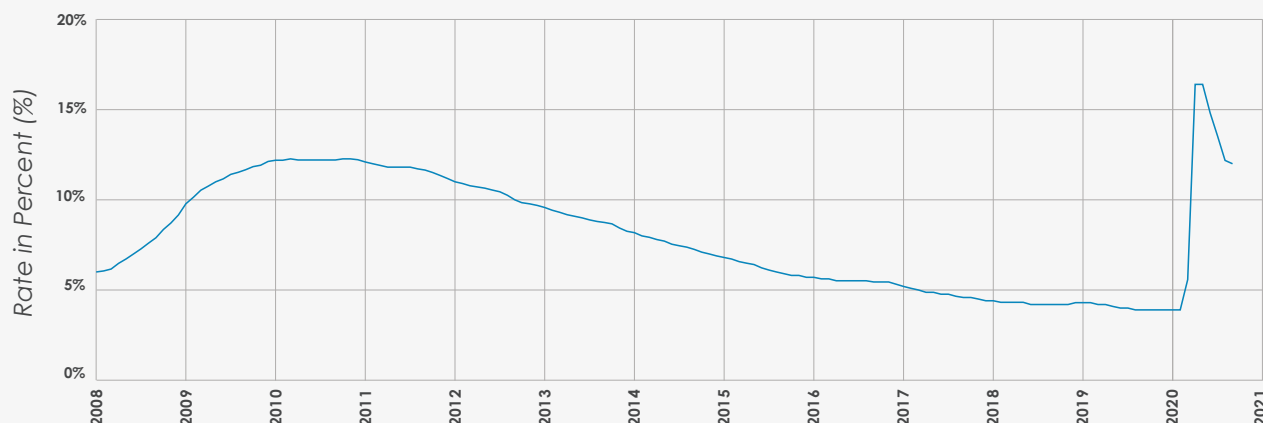


"Through this process, we have shown California's commitment to centering equity and community-building in all our efforts. Immigrant Californians comprise more than a quarter of our state's population and a full third of our labor force. The Task Force recognized the importance of their economic contributions, particularly by essential workers who took on risk to provide our food, health care, and elder care – and it also recognized the myriad ways in which federal programs had excluded undocumented Californians and their mixed-status families. From the Governor's Disaster Relief Assistance for immigrant families, to ensuring outreach in multiple languages, to the creation of a health equity metric aimed at reducing disparities, we are proud of California's leadership and eager to keep collaborating on equitable solutions for our state."

— Manuel Pastor, USC Equity Research Institute

California Unemployment Rate

January 2008 to September 2020



Economic Fallout of COVID-19 Recession

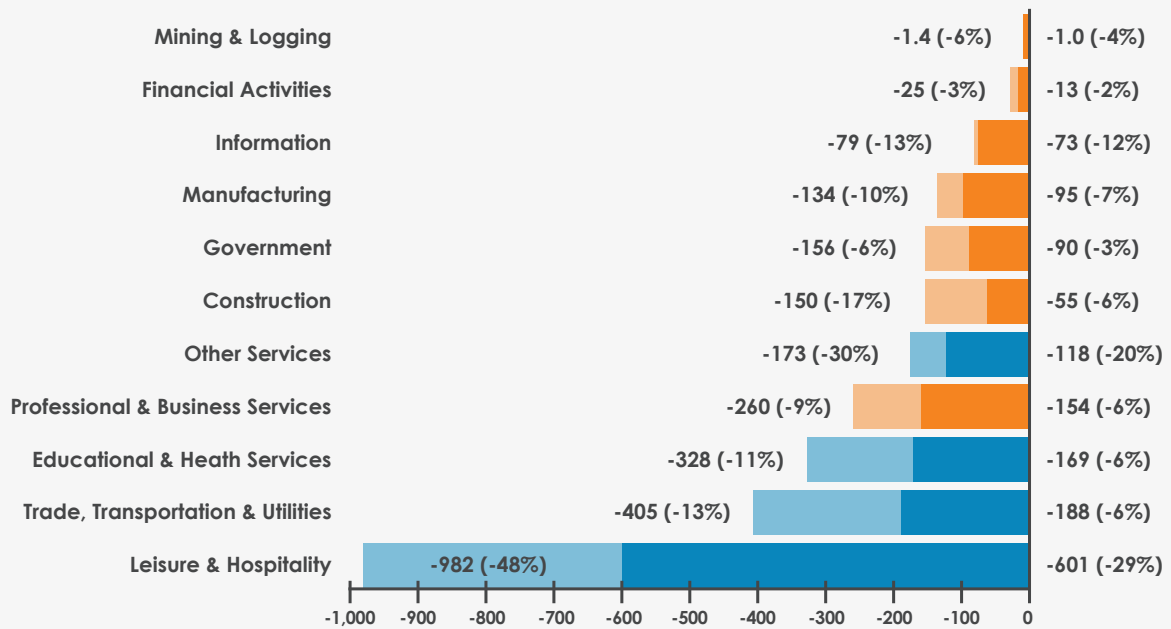
As California battled and made early progress in containing the COVID-19 virus, our economy – like economies around the globe – took a downturn. Our state is facing significant unemployment, jumping from a historic low of 3.9% in February of 2020 to 16.4% in April and May of 2020; recent figures for September 2020 are at 11% in California. As of September, only a third of the jobs lost have returned.

In California, we have added 993,600 nonfarm jobs through September starting in May after losing 2.6 million in March and April. There are still 839,100 fewer Californians in the workforce in September than there were in February of this year, and 4.4 million Californians were receiving some form of unemployment insurance in early November.

Job loss has been unevenly distributed throughout the economy, with the greatest losses occurring in the sectors employing a preponderance of workers of color in low-wage jobs, hospitality, restaurants, retail, other services and construction. This data has informed the Task Force's recommendations on how to help those workers and sectors come back.

California Jobs by Industry Relative to February 2020

Lighter shades correspond to April and darker shades correspond to September.
Blue bars represent low-wage sectors



Source: CA EDD, Labor Market Information Division

(Thousands of Jobs)

Accomplishments, Proposals and Partnerships Up and Running

Helped Guide a Safe and Equitable Reopening

First and foremost, the Task Force supported the state's health-first strategy by advising the Governor on safer ways for businesses to operate. As the State and local jurisdictions made reopening decisions based on data and public health, Task Force members advised on sector-specific guidelines. Members provided valuable insights that were helpful to businesses of all sizes, particularly smaller businesses without the same resources.

Members also provided **data** that correlated the health and economic impacts of COVID-19, which helped to paint a fuller picture of the incidence of the virus on California's diverse communities and across sectors of the economy. The State benefited from this information when developing health-driven decisions.

Members also shared relevant expertise when the California Department of Public Health developed the **California Health Equity Metric** for re-opening. Under the Blueprint for a Safer Economy, counties are assigned to a tier based on test positivity and adjusted case rate. In order to advance to the next less restrictive tier, each county not only needs to meet overall case and positivity metrics, it will need to meet an equity metric or demonstrate targeted investments to eliminate disparities in levels of COVID-19 transmission, depending on its size. The first-in-the-nation health equity metric is designed to help guide counties in their continuing efforts to reduce COVID-19 cases in all communities and requires more intensive efforts to prevent and mitigate the spread of COVID-19 among Californians who have been disproportionately impacted by this pandemic.



"California's response to COVID-19 has been a model for the rest of the nation, with Governor Gavin Newsom choosing to prioritize the health of Californians despite immense pressure to completely reopen the economy. The Task Force on Business and Jobs Recovery made the commitment to enact a multisectoral approach to recovery, adopting principles that formed the basis for an equitable response in the absence of badly-needed federal support. The Health Equity Metric is an impressive example of that approach and the innovation required to avoid a rollercoaster recovery by focusing directly on the places and people most impacted by the pandemic."

— Angela Glover Blackwell, PolicyLink



Golden 1 Center, Sacramento in Summer
Courtesy of the Sacramento Kings

The insight and experience of Task Force members whose businesses were reopening in other states and countries helped **inform state guidance** so it would be responsive to the way companies work. For example, Chipotle advised on best practices for takeout food service, and Apple shared protocols on checking out customers who are not in traditional check-out lines and registers.

The Task Force also advocated for and partnered on **behavioral change campaigns, including "Wear a Mask."** In recognition of the importance of public education that is resonant and culturally competent around reopenings, Task Force members stepped up to get the message out to Californians up and down the state. Task Force members helped fund a paid media campaign and leveraged their unique platforms, for example, outdoor billboards, cable and broadcast television networks and sporting venues. At a critical time when cases were on the rise, this intervention was a much-needed public health strategy to control the virus in order to safely reopen the economy.

Additionally, some proposals that came from Task Force members are being piloted at the local level. For example, Los Angeles County has adopted **public health councils** made up of workers from various sectors, educated on public health guidance and able to work with employers and county public health officials on enforcement of re-opening guidance.



"The Task Force gave frontline workers a voice at the table, which cannot be underestimated. We spent time on what we could do to protect the health and safety of frontline workers, including grocery workers. The Task Force enabled us to flesh out the concept of worker councils, engage in a discussion statewide, and created a template for us."

— John Grant, United Food & Commercial Workers

Members also recognized that maintaining clean and safe buildings could aid in the state's health-first recovery. The **California Cleaning Corps** proposal, which originated through the Task Force, has led to the development of a stakeholders committee – comprised of representatives from key state agencies, property owners from the commercial real estate and retail sectors, janitors and their union – in an effort to increase workforce training to ensure cleaning standards will contribute to safe and continued opening in key sectors.

Drove Support for Small Businesses

The economic impact of COVID-19 has been unprecedented for California's small businesses, which before the pandemic employed nearly half of all Californians. The consequences have been particularly severe for underbanked and underserved communities that have suffered historically from lack of access to affordable capital. Those traditionally underserved - minority, immigrant and female business owners - have shut down at disproportionate levels in this downturn.



"We started Plant Parenthood this summer and found the State's ShopSafeShopLocal to be extremely helpful as we worked to build our e-commerce site. We were able to launch our new website using the GoDaddy offering and then tap into the resources of local partners who then helped us with great advice to help start and grow our business. We will continue to use the resources provided to us are grateful for all the resources thus far from the State."

— Hai Nguyen and Sean LaMarr, Co-Founders, Plant Parenthood Sacramento

Members also developed and supported a statewide campaign, **Calling All Californians, #ShopSafeShopLocal**, to encourage Californians to support businesses in their neighborhoods and connect those businesses to state resources, including a network of small business centers for federal relief support and strategic advisory services. The campaign reached over 6 million users on Social Media and NextDoor and was amplified by influencers, celebrities including Reese Witherspoon, and key businesses and business leaders from throughout the state.

In just one month, the website garnered 36,731 total campaign page views — a more than three-fold increase over normal website activity, and engaged 6,765 total events, among them downloads, email sign-up, outbound links of partner resources, and digital media toolkit. These resources have been leveraged through **Get Digital CA** and are continuing to build e-commerce capacity, especially leading up to the holiday shopping season.



"It's been an honor to serve on the Governor's Task Force on Business and Jobs Recovery. Incorporating viewpoints and data from California's millions of small businesses created a meaningful understanding about the effects of the pandemic as well as the commitment all Californians need to make — to help small businesses thrive and to keep customers safe. Small businesses drive our local communities, and we must remain vigilant in enabling their success through this crisis."

—Jackie Reses, Square

Members also spearheaded the **California Rebuilding Fund**, a new public-private partnership to increase access to capital and support to the smallest businesses in under-banked communities across California. The Fund builds on the Governor's allocation in April of \$50 million of emergency funds for the California Infrastructure and Economic Development Bank (IBank) to launch a microloan guarantee program for the smallest small businesses that had difficulty accessing federal disaster relief. To date, that program has served 625 small businesses and helped save or create over 3,000 jobs. However, members of the Task Force recognized that this was insufficient for the scale of the problem, because community lenders were short on capital to lend that could benefit from IBank guarantees. So the Task Force got to work on a new entity to drive large amounts of capital to community lenders. The Governor allocated \$25 million and supported new authorities to IBank that enabled them to anchor this public-private partnership.



"Educational resources, digital tools, access to capital and neighborhood support are fundamental to helping local businesses in California and across the world get back to business. Amplifying our efforts with the California Governor's Office was critical to helping these businesses navigate COVID-19 with official local guidelines, giving them tools and resources to digitize parts of their business, and rallying California consumers to safely support their neighborhood businesses, driving their local economy. We were motivated to bring together the power of the public and private sectors, connecting our work at Nextdoor to support the local businesses in all of our Californian neighborhoods."

— Sarah Friar, Nextdoor

In addition, Task Force members prioritized an equitable recovery with a focus on strengthening diverse and California-based suppliers through a new initiative launching in 2021, **Source Diverse, Source Local**. This public-private collaboration will strengthen inclusive procurement and build resilient, California-based supply chains. By elevating California firms for sourcing strategies, the initiative is designed to support local economies - reducing money from "leaking" out of California by procuring locally and stimulating job creation.



"ShopSafeShopLocal created a unified small business resource that had no barriers to use as it was online, accessible and covered everything from PPE to free business consulting. The small business community is often challenged by having to navigate so many disconnected networks, but ShopSafeShopLocal responded to the most urgent small business needs caused by the pandemic by delivering a great resource for both small business advisors operating within the ecosystem as well as small businesses."

— Tara Lynn Gray, Fresno Metro Black Chamber of Commerce & Chamber Foundation

Advised on the Governor's Economic Development Package and Protections for Workers

The Governor's proposals for economic development and worker protections, announced in July and August 2020, reflected ideas and proposals from Task Force members that later became law. Thanks to the leadership of the Legislature, these include the **Main Street hiring credit** to help small businesses and those hit hardest by the pandemic; **eviction protections** and relief for homeowners and small landlords; and **safeguards for essential workers** including enhanced enforcement tools for the State to respond timely to stop the spread of the virus in workplaces employer and worker education on staying safe in the workplace.

Members also proposed longer-term economic growth programs such as the **acceleration of bond sales**, which was included in the Governor's economic development package. These sales will create over 5,000 jobs for essential projects like clean drinking water infrastructure up and down the state.



"Building and infrastructure will see California through this crisis. The bond acceleration championed by the Task Force and advanced by Governor Newsom will create thousands of shovel-ready jobs, and the impacts will be felt far beyond the men and women who pick up their tools – it will help communities and our entire economy get back on its feet. I am proud of the partnership between the Task Force and the Newsom Administration for responding to this crisis in a way that honors our state's values."

— Doug McCarron, United Brotherhood of Carpenters and Joiners of America

Worked to Close the Digital Divide

Internet access and devices are important to making sure California's children can stay connected through the school year, businesses can operate online and job seekers can apply for jobs online. According to the most recent American Community Survey data, Black and Latino K-12 students were more than twice as likely as white students to lack high-speed internet and a laptop, and Native American students were three times as likely to be digitally disconnected. The Task Force launched an effort to close the longstanding digital divide and connect more Californians to opportunity. As a first step, members worked with the Environmental Systems Research Institute to **map where the need was greatest** in order to establish greater connectivity in those areas.

Leveraging federal funding from the (CARES) Act Task Force members helped secure **donations for devices and hot spots**, a major accomplishment amid worldwide shortages so students could get access as soon as possible, as well as working with nonprofit organizations to **refurbish used devices**. Members also helped to inform a **master agreement** to execute contracts for the devices in a streamlined manner.

The Task Force was also instrumental in **reaching out to internet service providers** to join this effort. As a result, Cox, Charter and Comcast have pledged to extend low-cost plans to low-income children and families to assist with distance learning. The Governor also signed an **executive order** directing state agencies to bridge the digital divide.



"The work of the Task Force and the sponsorship of the Governor's team helped to identify the solutions to the Digital Divide, which are available with collective effort by communications service providers, technology companies, regulators and school districts around the state. If this collective effort can be sustained, kids and families can thrive, and our entire society can benefit."

— Gene Sykes, Goldman Sachs

Sped Progress Toward California's Climate Future

In keeping with California's long standing climate leadership, and the recognition that the state's long-term economic growth must be sustainable and resilient in the face of a changing climate, Task Force members advanced climate principles to guide continued innovation and equitable implementation of climate policies. Among these principles are a commitment to eliminating disparities and investing in communities and resilience.

In order to accelerate an equitable transition to a low-carbon economy, Governor Newsom announced historic action to require that, by 2035, all new cars and passenger trucks sold in California be **zero-emissions vehicles**. The Governor's Executive Order also recognizes the critical importance of ensuring current workers and affected communities experience a just transition to a carbon-neutral future.

Additionally, to engage youth and help build a resilient and clean economy, the Task Force helped create the **Climate Action Corps**, which will empower Californians to take meaningful action to protect their homes, health and communities against the harshest impacts of climate change.

Promoted Efficiency in Government

The Task Force advocated for easing administrative obstacles to the creation and preservation of affordable housing, a key element of a just and sustainable economic recovery for California, such as electronic signatures on documents. The Legislature passed and the Governor signed Assembly Bill 434, which provided for a more efficient and streamlined application process for all seven programs administered by the Department of Housing and Community Development.

Advocated for Federal Support

Task Force members recognized that full recovery from COVID-19 depends on federal funding to state, local and tribal governments that were battling the pandemic. Members made the case that these funds were necessary for governments to respond to COVID-19 and promote recovery in the private sector as well. Task Force members called for this critical relief in a letter to congressional leadership, a *New York Times* op-ed and a *San Francisco Chronicle* op-ed.



"It was clear from the earliest days of the COVID-19 pandemic that comprehensive federal relief was essential to getting people and economies back on their feet. The State of California has made remarkable progress in tackling this health and economic crisis, but it can't do it alone – strong federal support is needed not just for governments fighting COVID, but their communities and economies. Representing diverse walks of life and perspectives, Task Force members united around the need for these critical funds from the federal government and continued to advocate for them."

— Janet Yellen, former Chair of the Federal Reserve

Looking Forward

With these Task Force initiatives up and running, and groundwork laid for dozens of others, we are committed to building on our progress amid an increase in the number of COVID-19 cases and ongoing threat to the economy. Across sectors, we are committed to preserving our lead in innovation and remaining a great place to start and grow a business for the long term and get a quality job with career pathways. Though the Task Force is officially disbanding, its spirit of innovation and collaboration on behalf of California will persist.

To further this progress towards a resilient, sustainable and inclusive economic recovery, California should:

Preserve California's Competitive Edge

California has historically led on innovation. Supporting the needs of businesses to employ California workers and provide goods and services in the state is essential to recovery efforts, both in the short- and long-term. This work is also critical to safeguarding California's economic might and status as the nation's engine of innovation and growth, especially as the economy and jobs evolve and change. California cannot take our lead in innovation for granted.

Expand Efforts to Create Quality Jobs for All Californians

A truly sustainable recovery for the long-term must create quality jobs and equitable pathways into those jobs. Growing quality jobs defined by living wages, opportunities for training and advancement, and safety and protection at work is particularly important for those communities most impacted by the pandemic and recession, who have been historically locked out of these opportunities. It is also increasingly important for those currently in industries that may experience decline due to automation, globalization, and/or climate change. In the event that federal relief is made available to California to support our economic recovery, the State should prioritize job creation with those funds.

As we expand quality jobs, we must do more to connect those jobs to Californians most affected by the pandemic. COVID-19 has laid bare the generations-long inequities across our society. They must be addressed if we are to build a thriving economy that can withstand the next recession. The future for our state can only be bright if we lift up the most vulnerable. We can't recover until we all recover.

This work must also focus on the youngest Californians in the workforce, to ensure their lives and futures are not permanently derailed by coming of age in a recession. To that end, Task Force members in partnership with philanthropy are piloting **California YouthWorks**, a comprehensive strategy with multiple components—job creation, apprenticeships, pre-apprenticeships and paid internships—aimed at creating new job opportunities for ages 16-24 over the next 24 months.

Focus on Sectors that Correlate to California's Strengths

California's strongest and most resilient sectors should be a core focus of ongoing recovery work. The state's largest sectors by contribution to GDP include real estate, tech, manufacturing, and professional services. However, the largest sources of employment by sector are health care, state and local government, accommodation and food services, and retail. As we move towards recovery, each of these sectors is critical, as are other core sectors such as construction, transportation and logistics, and agriculture as well as emerging opportunities in clean energy. Recovery strategies must recognize where the demand is and how to meet it — and how to grow quality jobs in critical sectors.

The care economy defined as the industries related to health care, education, social services, including childcare and elder care is a prime example of a growth industry in California. The need for care has grown throughout the pandemic and will continue to grow to meet the need for childcare for California's working-age population and the need for direct care for our aging and disabled populations. Public and private entities should continue to partner on promoting safety, equity and opportunity in the care economy. The Task Force's Caring California proposal calls for conversations among representatives from labor, management and state agencies to carry out this important work towards an inclusive long-term care delivery system that can deliver higher quality care, create quality jobs and ultimately lower costs.



"We appreciate the leadership shown by this Task Force and the bold move to create a care solutions table comprised of state, employer and labor stakeholders that will immediately continue to refine the work needed to protect nursing home workers and residents while working on solutions for the long-term transformation and expansion of affordable long-term care Californians need. In doing so, we begin addressing decades of inequalities and structural deficits that have created the disparate impacts COVID has had on the lives of workers, our communities of color and our immigrant brothers and sisters."

— April Verrett, Service Employees International Union (SEIU), Local 2015

Pursue Regional Strategies to Drive Economic Recovery Across Sectors

The health and economic impacts of COVID-19 have not been felt equally around the state, as each region faced different impacts based on its particular concentration of industries. COVID-19 has had a disproportionate impact on certain industries (e.g. tourism) which in turn has had a disproportionate impact on certain regions dependent on those industries. Economic recovery strategies must recognize the unique conditions of the state's diverse and interconnected regions, as well as their unique strengths and weaknesses. A key opportunity will be to leverage the work of Regions Rise Together, the State's initiative to develop cross-sector civic partnerships at the regional level. This initiative has highlighted key economic opportunities in all regions, especially California's inland counties, and has worked to ensure that inland California has a seat at the table. Regions Rise Together has also supported a "regions up" approach to planning and policy, especially "high road" economic development that emphasizes job quality and economic diversification.

Improve Health, Safety and Working Conditions for Essential Workers

The vulnerabilities faced by essential workers as exposed and accelerated by COVID-19, require our continued focus. We launched initiatives to increase production of PPE in California; expand access to testing; and give workers a greater voice and choice to keep themselves, their workplaces and the public safe.

Expand Support and Provide Flexibility to Small Businesses

California should build on the impactful efforts to support small businesses, especially those owned by women and people of color and operating in economically distressed areas. Small businesses are the cornerstone for economic growth, and we must recognize that, in order to invest in our communities, we must invest in the people who make them vibrant.

Continue Efforts to Close the Digital Divide

The COVID-19 pandemic has demonstrated the imperative of ensuring that all Californians have access to quality, affordable internet, devices and technical assistance to thrive in school and in business. The Task Force has provided expertise in expanding rural broadband and making broadband more accessible to low-income families, as well as coordinated device donation to those in need. This type of work must continue. The digital divide has been a longstanding challenge for the state and nation that must be met in order to build a sustainable, long-term recovery.

Promote Telemedicine

Amid the COVID-19 pandemic, the rapid expansion of telemedicine created new opportunities and challenges for providers and patients. The Task Force identified telemedicine as a way to provide essential care to more Californians, building on the gains in virtual health made during the pandemic and improving access, affordability and equity of care. California is a leader in digital innovation and can also be a national leader in digital health.

Incorporate Equity and Sustainability at Every Stage of the Recovery Effort

Fighting climate change, and ensuring the state is more resilient in the face of current climate impacts, took on a new urgency amid historic wildfires in summer and fall 2020. Five of the ten largest fires in California's history took place in August and September of this year. In recognition of this existential threat, and in keeping with California's steadfast commitment to a carbon-neutral economy, we must continue to support the people, innovation and infrastructure across every region and sector that are the foundation for California's carbon-neutral economy. At the same time, we must pay special attention to those industries that will likely decline in the face of a global commitment to carbon neutrality, and to ensure jobs and opportunities for those workers and industries as well as the communities most dependent on them.



"Serving on the Governor's Task Force, I've witnessed with pride Californians come together and respond to the challenges presented by COVID-19 with compassion and urgency. Now is the time to leverage ingenuity and innovative thinking to ensure the economic recovery continues to be inclusive, just and equitable while maintaining momentum towards a clean-energy future."

— Pedro Pizarro, Edison International

Conclusion

Some key learnings from the State and Task Force members can guide those who continue to build an equitable recovery for all. These lessons include:

- **Lead with science and be responsive to changing circumstances.** The health-first approach saved lives, and modifications along the way helped businesses reopen more sustainably. When COVID-19 cases began to rise in the summer, the State responded with a statewide mandatory mask order, ramping up a public awareness campaign before the July 4 holiday and rolling back re-openings. Task Force members collaboratively analyzed data that showed that strong economies were driven by fewer cases in all states.
 - And when circumstances change, California still protects the most vulnerable — for example, by securing an additional \$300 per week in unemployment benefits and allocating an extra \$400 million to foodbanks, childcare and homelessness.
- **Encourage and enforce compliance with public health and safety mandates.** The vast majority of Californians will voluntarily comply with clear and reasonable measures, especially when they are given the information they need through public education campaigns. The State will also continue enforcement for those who will not.
- **Make the public our allies in the fight.** The spike in cases during the summer also forced us to acknowledge that we hadn't done enough to warn the public that despite improvements in infection, hospitalization and ICU rates, the virus was going to be with us for the foreseeable future – so we all needed to continue to maintain social distance, wash our hands and wear our masks. The “Wear a Mask” campaign and worker and employer education campaigns supported by the Task Force made demonstrable progress towards these goals.
- **Remain engaged with partners across sectors.** The Task Force assembled leaders from across sectors who would not ordinarily collaborate, opening lines of communication that did not exist previously. This process highlighted how government and the private sector can do more together. Going forward, Task Force members will continue to serve as points of connectivity across the state and between their own regions and industries.

- **Expand public-private partnerships.** The Task Force created a number of novel public-private partnerships, which unleashed new resources and new ideas to address ongoing challenges.
 - For example, the SF Creative Corps, a partnership between the Yerba Buena Center for the Arts and City of San Francisco, aims to amplify the creativity and power of California's arts and culture sector by generating living-wage work opportunities for BIPOC and LGBTQ+ artists in service of healthy communities and an equitable and just recovery.
- **Continue to work with federal leaders on critical relief.** Federal leadership is an indispensable component of a successful recovery from a recession. While the federal support that Congress passed this past spring has been critical, numerous key CARES Act measures have already expired or are set to expire soon. The federal government must step in with comprehensive fiscal relief in the following areas to ensure that Californians have enough support to recover their health and financial well-being, flexible state and local assistance; continued expanded unemployment insurance; support for health care, education and child care stabilization; support for small businesses; nutritional assistance; and housing and homelessness initiatives. In addition, it is critical to work with our federal partners to secure a stimulus package that is aimed at making our state more equitable and more sustainable. Key to those efforts will be funding for green energy, broadband and high-speed rail.
- **Bring together a broad range of voices to provide a clearer view of the challenges and help drive better solutions.** Because the Task Force included representatives from labor, business, community-based organizations and nonprofits, from many sectors and industries, it provided a clearer view of how the pandemic and economic crisis were affecting different parts of the state. As a result, the State was able to take responsive actions more quickly, such as ramping up testing and getting PPE to businesses and workers in need.

Looking ahead, these learnings can help inform all those committed to a sustainable, equitable recovery for California that maintains our state's competitive edge.

The Governor's Council of Economic Advisors has identified a number of headwinds that California will continue to face in the near future, among them the coming expiration of unemployment benefits like Pandemic Unemployment Assistance, ongoing need for federal relief and the changes to life and work brought on by the rapid shift to telework. These challenges are especially severe for lower-income Californians who were disproportionately impacted by job losses in 2020, as well as small businesses that have gone through an entire year of unpredictability and lower revenues.

Though the future is uncertain, one thing in California has always been true: we grow when we expand opportunity for all – in every region, zip code and income level – and invest in our innovators. California will not rely on past successes to push forward, but instead, rise to the challenge of building a recovery for all.